

***This agent sent NAAFA a copy of a letter from American Family which basically said Production was down, Policy Retention was down and Policies in Force are down. The company was taking a stand on the old issue that the agents were to blame, of course. Listen to what this agent is saying. Does it sound familiar in other states? NAAFA is very concerned with the numbers of calls and letters we get from very, very discouraged agents. Why doesn't American Family wake up before it's too late?***

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Dated: 2/21/2008

Dear NAAFA,

Thought you might like to see what is common for Nevada agents. This letter was sent to us 07/13/07. It is typical of what we have been hearing in meetings for the last 7 years. I was shocked that it was put in writing.

Remember that Nevada is the fastest growing state in the history of AmFam. Agents were told the only reason we have such large books is because of AmFam and the great name. Basically, we were treated like "order-takers." Now that we are experiencing loss issues, all of a sudden the agents are to blame for no growth. Not the bi-annual 10% increases in rates that have priced us out of the market. Rate increases that happen because of too high a loss ratio.

HELLO?????

Agents can only take in money. Claims pays it out. The agents have been complaining about the high claim payouts for 7 years, but what do we know? We just take orders.

Nevada has the LOWEST commission and highest expense percentage in the operating states. The rate is 6% and 10%. A main issue with slower growth is that agents cannot afford the staff it takes to run a 3000-plus agency and hire sales people for growth. Some agents run a book with 2000 policies in force (PIF) with one full-time staff just so they can take home the same pay they did when they were on ACP! Most access lines of credit, credit cards, etc. Most are in debt up to their eyeballs and have to juggle bills to stay ahead of filing Chapter 7.

I would grow, but what is the point? I spoke with agents at my level and all of them have the same issue. I spoke with agents that have 1000 more policies and THEY are in the same boat. It is the same with agents with 1500 more, 2000 more and even 3000 more policies than me. I have a 3000 PIF and take home less than I did on ACP. My expense ratio is about 75%. When told of this, management repeats that we need to sell more.

No problem selling more, but the question is why? When agents that are double my size have the same issue and take home the same net pay, what is the point of putting up with the increased headaches?

Sorry, getting shiny plaques does not cut it anymore. My grocery store will not take those to pay for milk. I could vent for pages.

Anonymous